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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

LEA MÁRQUEZ PETERSON - Chairwoman
SANDRA D. KENNEDY
JUSTIN OLSON
ANNA TOVAR
JIM O'CONNOR

DOCKETED

MAY 5 2021

DOCKETED BY

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In the matter of:

Abuchi Okoye, A Nigerian Individual

Coininvest, an unincorporated entity

Respondents.

DOCKET NO. S-21125A-20-0294

DECISION NO. 77979

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, AND ORDER FOR
ADMINISTRATIVE PENALTIES AGAINST:
ABUCHI OKOYE AND COININVEST**

On October 1, 2020 the Securities Division of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing (the "Notice") against Respondents Abuchi Okoye ("Okoye") and Coininvest. Respondents Okoye and Coininvest may be referred to collectively as "Respondents."

On October 22, 2020, the Securities Division mailed a copy of the Notice, to Okoye, by registered certified International mail to the address in Nigeria provided by the website hosting company.

On October 23, 2020, the Securities Division of the Commission filed an Amended Temporary Order to Cease and Desist and Notice of Opportunity for Hearing (the "Amended Notice") against Respondents Okoye and Coininvest.

On October 29, 2020, the Securities Division mailed a copy of the Notice and Amended Notice, to Coininvest, by via registered certified International mail to the address in Nigeria provided by the website hosting company.

1 The United States Postal Services' mail tracker indicates that the postal service attempted
2 service to both Okoye and Coininvest on December 2, 2020 and no further attempts were made.

3 On December 11, 2020, the Securities Division requested that the Arizona Business Gazette
4 publish an advertisement regarding the Notice pursuant to A.A.C. R14-4-303(H)(1). The
5 advertisement was published on December 17, 2020, December 24, 2020, December 31, 2020, and
6 January 7, 2021. Service was complete on January 19, 2021

7 Respondents were to request a hearing on or prior to February 8, 2021. No request for a
8 hearing or answer to the Notice has been filed as of March 22, 2021.

9 **I.**

10 **FINDINGS OF FACT**

11 1. Respondents Abuchi Okoye and Coininvest may be referred to collectively as
12 "Respondents."

13 2. At all times relevant, Respondent Abuchi Okoye ("Okoye") resided in
14 Otolu, Nnewi, Anambra, Nigeria and exercised control over Coininvest and a domain name
15 of arque-capital.com.

16 **Arcadia Capital Partners, LLC**

17 3. Arcadia Capital Partners, LLC ("ACP") is a Registered Dealer with the Arizona
18 Corporation Commission ("Commission"), the Financial Industry Regulatory Authority ("FINRA"),
19 and the United States Securities Exchange Commission ("SEC").

20 4. ACP maintains a website and conducts business related to the Private Placement of
21 Securities and Advisors regarding mergers and acquisitions.

22 5. The Managing Director of ACP ("Managing Director") states he came into
23 knowledge of an imposter website when a representative of a similarly named company with
24 a similarly named domain contacted ACP to see if ACP had received calls related to bitcoin.

25 6. The Managing Director viewed the website at Arcadia-Capital.net purporting to
26 belong to Arcadia Capital ("Arcadia") and noted the website depicted ACP's address in Phoenix,

1 Arizona but the Arcadia website depicted a different telephone number and email address than that
2 of ACP.

3 7. ACP noted that Arcadia's website appeared to be offering investments in bitcoin and
4 cryptocurrency. ACP does not deal in or offer investments in bitcoin and cryptocurrency.

5 8. The Managing Director determined that Arcadia is unaffiliated with and has no
6 relationship to ACP.

7 9. The Managing Director subsequently received a voice mail from a person wanting to
8 know about "crypto investments."

9 10. The Managing Director reported the matter to the authorities.

10 11. The facts show that ACP has nothing to do with Respondents and the Arcadia-
11 Capital.net website and that Respondents are stealing the reputation and credentials of ACP to
12 commit their fraud.

13 **The Pirated Website Arcadia Capital**

14 12. Respondents own the domain name Arcadia-Capital.net. Respondents have a website
15 found at Arcadia-Capital.net and represent the website as Arcadia Capital ("Arcadia"). On the
16 website, which is available to the general public, Arcadia is representing itself as Arcadia Capital in
17 an attempt to misrepresent to offerees and investors that Arcadia is the registered broker, ACP. As
18 stated above, Arcadia has no relationship with ACP. The website provides the Phoenix, Arizona
19 business address for ACP and displays a FINRA Central Registration Depository ("CRD") number
20 for ACP.

21 13. Respondents registered the website with a domain service entity, which is located in
22 Phoenix, Arizona, on August 25, 2017 and provided a web address similar to that of ACP.

23 14. Respondents have a Facebook page that represents Arcadia as Arcadia Capital and
24 provides the same telephone number as provided on Arcadia's website.

25 15. Respondents are soliciting investors to purchase investments in bitcoin and
26 cryptocurrency via the pirated website at Arcadia-Capital.net and a social media account.

1 16. Respondents state on its website, "SAFE AND SECURE CRYPTOCURRENCY
2 INVESTMENT" "CRYPTOCURRENCY MINING FOREX TRADING AND CFD MARKETS".

3 17. In the "HOW IT WORK" [sic] section it states, "Safe and Secured Bitcoin Profit"
4 and provides the instructions on how to invest as "1 CREATE YOUR ACCOUNT Go to account
5 registration section and fill a simple for [sic] that is needed to successfully complete [sic] your
6 registration"; "2 MAKE DEPOSIT Make a deposit to any of the 6 investment packages.[sic]"; "3
7 WAIT AND WITHDRAW PROFIT Once the purchased plan time is exhausted, y ou [sic] have
8 every right to withdraw your profits t o [sic] your bitcoin wallet."

9 18. Actual and potential investors who visit the Arcadia-Capital.net account are asked to
10 "invest now" in one of several "Forex Investment Plans" and "CDF Market Plans" presented on the
11 site.

12 19. The Forex Investment Plans offer three options: Armature Plan (10% after 15 Hours,
13 minimum of \$30 and maximum of \$5,000), Standard Plan (17% after 27 Hours, minimum of \$1,000
14 and maximum of \$15,000) and Professional Plan (30% after 38 Hours, minimum \$2,500 and
15 maximum of \$25,000).

16 20. The "About Us" section states, "Arcadia-Capital makes the trader [sic] of more than
17 40 encrypted currencies in world brokers (poliniex and others) with strategies and a lot of
18 responsibility, using high technology and advanced tools, monitored through a chart of a team of
19 traders professional and experienced in this market, and thus have a very high profitability success.
20 A community founded to revolutionize the market of crypto-traders, inserted in this billionaire
21 market, competitive and few people have access to. Miningfarm through a team of professionals
22 trader specialists, comes with an opportunity for anyone to produce results in this digital currency
23 market. Be our partner by investing with us and get percentage return on investment. We keep your
24 investment safe and your profit is assured."

25 21. Investors can sign up on the website by providing their name, a password, and email
26 address.

22. At least one Missouri investor provided \$2,500 to Arcadia, believing it to be the real ACP. The investor used a "chat" option that was available on the website and spoke with someone who identified himself as "Sam Walker."

23. The Aracdia-Captial.net website provides an online wallet which indicates the balance of the funds in an investor's account. The Missouri investor noticed that the online wallet, indicated a balance of zero. The Missouri investor asked Sam Walker about the zero balance and was advised there had been some technical issues and it would cost the him \$100 to retrieve the money in his online wallet.

24. The investor is still in contact with Arcadia, has not received any profits or a return on his investment to date, and his investment funds have not been returned to him.

THE ACTUAL ARQUE CAPITAL, LTD.

25. Arque Capital, LTD. ("AC") is a Registered Dealer with the Arizona Corporation Commission ("Commission"), the Financial Industry Regulatory Authority ("FINRA") and the United States Securities and Exchange Commission ("SEC").

26. AC maintains a website and conducts business related to investment banking, securities, and wealth management.

27. The facts show that AC has nothing to do with Respondents or the Arque-capital.com website and that Respondents are stealing the reputation and credentials of AC to commit their fraud.

THE PIRATED ARQUE WEBSITE

28. Respondents own the domain name Arque-capital.com. Respondents have a website found at Arque-capital.com and represent the website as that of AC. On the website, which is available to the general public, Respondents are representing itself as AC in an attempt to misrepresent to offerees and investors that Respondents are the registered broker AC. As stated above, Respondents have no relationship with AC. The website provides the Scottsdale, Arizona business address for AC.

1 29. Respondents registered the website with a domain service entity, which is located in
2 Phoenix, Arizona, on May 28, 2020 and provided a web address similar to that of AC.

3 30. Respondents are soliciting investors to purchase investments in cryptocurrency via
4 the pirated website at Arque-capital.com.

5 31. Respondents state on its website, "Arque-capital inc [*sic*] is a cryptocurrency trading
6 and investments [*sic*] service company founded by professional brokerage traders who have been
7 working in stock [*sic*] market for more than 10 years licensed under Finra and Sipc. The mission of
8 our company is to provide reliable and profitable management systems for all members. We seek to
9 grow and safeguard the investments of all our clients in a manner that maximizes probability [*sic*]
10 and trust. The whole trading system is built on state of the art quantitative models."

11 32. Respondents state on its website, "We bring the right people together to challenge
12 established thinking and drive transformation. We will show the way to successive [*sic*]. Put your
13 investing ideas into action with full range of investments. Enjoy real benefits and rewards on your
14 accrue [*sic*] investing."

15 33. Respondents state on its website, "We're Certified," "We're Secure" and "We're
16 Profitable."

17 34. The "About Us" section of Respondents' website states, "Welcome to arque-
18 capital.com, We [*sic*] help you make the best use of your financial resources, freeing your time to
19 enjoy what matters most in life" and states it provides self-directed online trading or investors can
20 work with "a [*sic*] arque-capital.com Investments professional..."

21 35. Respondents state on its website, "Our goal is to identify unique investment
22 opportunities and work with the portfolio managers and/or companies to source the capital needed
23 to grow the business."

24 36. The "Core Values" section of Respondents' website states, "Our financial planning
25 process goes beyond a one-time checkup. Your **Aeoncapital** [Emphasis added] advisor will address
26

1 all six key areas of financial planning using a roadmap that prioritizes you most important questions
2 first.”

3 37. Actual and potential investors who visit the Arque-capital.com account are asked to
4 “invest now” in one of several “Investment Plans” presented on the site.

5 38. The Investment Plans offer four options: Starter Plan (11% after 15 Hours, minimum
6 of \$20 and “miximum” [sic] of \$1,000), Basic Plan (18% after 18 Hours, minimum of \$141 and
7 “miximum” [sic] of \$5,000) , Golden Plan (35% after 48 Hours, minimum of \$2,001 and no limit)
8 and Business Plan. (22% after 24 Hours, minimum of \$250 and “miximum” [sic] of \$10,000).

9 39. The “Invest To Grow Your Money!” section states, “Arque-capital investment
10 company that promises the investor for an unsustainable high return on investment by paying the
11 money of the new investors to the previous investors.”

12 40. Investors can sign up on the website by providing their name, a password, email
13 address, “PerfectMoney Account,” and “Bitcoin Account ID.”

14 41. An Arizona resident went to the Arque-capital.com website, began a “chat” in the
15 online chatroom, and expressed interest in investing in Bitcoin. The Arizona resident was advised
16 by support personnel that the there was a “100% guarantee” of a return in 24 hours after investing.
17 When the Arizona resident asked if the support personnel was located in Scottsdale, Arizona, he
18 was advised that they were. The Arizona resident was advised there were no risks and that he would
19 get his returns within 24 hours.

20 II.

21 CONCLUSIONS OF LAW

22 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
23 Arizona Constitution and the Securities Act.

24 2. Respondents offered or sold securities within or from Arizona, within the meaning of
25 A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).
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3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondents violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit.

6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

9. Okoye directly or indirectly controlled persons or entities within the meaning of A.R.S. § 44-1999, including but not limited to Coininvest Therefore, Okoye is jointly and severally liable under A.R.S. § 44-1999 to the same extent as Coininvest for any violations of A.R.S. § 44-1991.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, and Conclusions of Law, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of Respondents' agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents shall jointly and severally pay restitution to the Commission in the principal amount of \$2,500 as a result of the

1 conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date
2 of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing
3 account controlled by the Commission. Any principal amount outstanding shall accrue interest at
4 the rate of 10 percent per annum from the date of purchase until the date of this Order, subject to any
5 legal offsets, pursuant to A.A.C. R14-4-308(C).

6 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will
7 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)
8 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
9 governors of the federal reserve system in statistical release H. 15 or any publication that may
10 supersede it on the date that the judgment is entered.

11 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
12 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
13 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
14 because the investor is deceased shall be disbursed on a pro-rata basis to the remaining investors
15 shown on the records of the Commission. Any funds that the Commission determines it is unable to
16 or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

17 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Okoye shall,
18 jointly and severally with Coininvest under Docket No. S-21125A-20-0294, pay an administrative
19 penalty in the amount of \$25,000 as a result of the conduct set forth in the Findings of Fact and
20 Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the
21 "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

22 IT IS FURTHER ORDERED that the administrative penalty ordered in the preceding
23 paragraph will accrue interest at the rate of the lesser of (i) ten percent per annum or (ii) at a rate per
24 annum that is equal to one per cent plus the prime rate as published by the board of governors of the
25 federal reserve system in statistical release H. 15 or any publication that may supersede it on the date
26 that the judgment is entered.

1 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
2 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
3 shall be applied to the penalty obligation.

4 IT IS FURTHER ORDERED, that if Respondents fail to comply with this order, the
5 Commission may bring further legal proceedings against Respondents, including application to the
6 superior court for an order of contempt.

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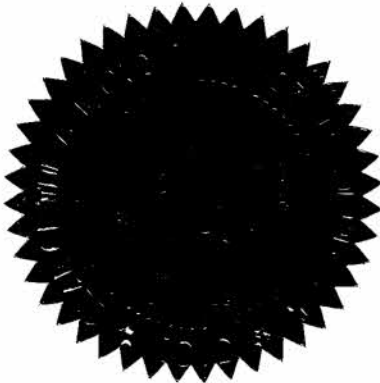
IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

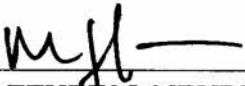

CHAIRWOMAN MARQUEZ PETERSON


COMMISSIONER KENNEDY

  
COMMISSIONER OLSON COMMISSIONER TOVAR COMMISSIONER O'CONNOR



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT,
Executive Director of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this 5 day of May, 2021.


MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Carolyn D. Buck, ADA
Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov.

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SERVICE LIST FOR: Abuchi Okoye and Coininvest

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